目錄
Contents

	頁碼 PAGE	
公司簡介	2	OVERVIEW OF THE COMPANY
財務摘要	5	FINANCIAL HIGHLIGHTS
董事長報告書	8	CHAIRMAN'S STATEMENT
管理層論述與分析	12	MANAGEMENT DISCUSSION AND ANALYSIS
董事、監事及高級管理人員	23	DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
董事會報告書	31	REPORT OF THE DIRECTORS
監事會報告書	41	REPORT OF THE SUPERVISORY COMMITTEE
公司管治報告	43	CORPORATE GOVERNANCE
核數師報告書	48	AUDITORS' REPORT
綜合損益表	50	CONSOLIDATED INCOME STATEMENT
綜合資產負債表	51	CONSOLIDATED BALANCE SHEET
資產負債表	53	BALANCE SHEET
股東權益變動表	54	STATEMENT OF CHANGES IN EQUITY
綜合現金流量表	57	CONSOLIDATED CASH FLOW STATEMENT
財務報表附註	59	NOTES TO THE FINANCIAL STATEMENTS
重要事項揭示	97	DISCLOSURE OF SIGNIFICANT EVENTS
公司資料	100	INFORMATION ON THE COMPANY
備查文件	103	DOCUMENTS AVAILABLE FOR INSPECTION
股東週年大會通知	104	NOTICE OF ANNUAL GENERAL MEETING

Overview of the Company

哈爾濱動力設備股份有限公司(「本公司」)是由中華人民共和國(「中國」)製造大型發電設備歷史最悠久的製造商—哈爾濱電站設備集團公司(「哈電集團公司」)及其所屬原哈爾濱電機廠、哈爾濱鍋爐廠、哈爾濱汽輪機廠(「三大動力」)&[illegible]最大的發電設備製造商,其主要業務包括:

- 火電主機設備:單機容量最大達1,000MW之鍋爐、汽輪機及汽輪發電機,重型燃氣輪機及聯合循環成套設備,中國之最大清潔煤燃燒設備製造基地、CFB BOILER、PFBC等
- 水電主機設備:單機容量最大達700MW之水力發電機組
- 核電主機設備:核電廠核島及常規島設備
- 其他產品:電站配套輔機、工業鍋爐、工業汽輪機、控制設備、交流電機、直流電機、電站閥門、壓力容器及軸流風機等
- 電站及其它工程總承包
- 火電及水電設備成套服務
- 經營電站設備進出口業務

Group Corporation ("HPEGC"), which is the oldest large-scale power plant equipment manufacturer in the People's Republic of China (the "PRC") and its three affiliates: Harbin Electrical Machinery "the three major power factories"). These three major power factories were established in the 195[illegible]s. The Company was established in Harbin PRC on 6th October, 1994. The dealings in the shares of the Company commenced on the tock Exchange of Hong Kong Limited (the "HK E") on 16th December, 1994.

As at 31st December, 200[illegible]4, the share capital of the Company comprised of 1,189,151,000 shares, of which 469,151,000 shares were circulated on the HK E as H shares.

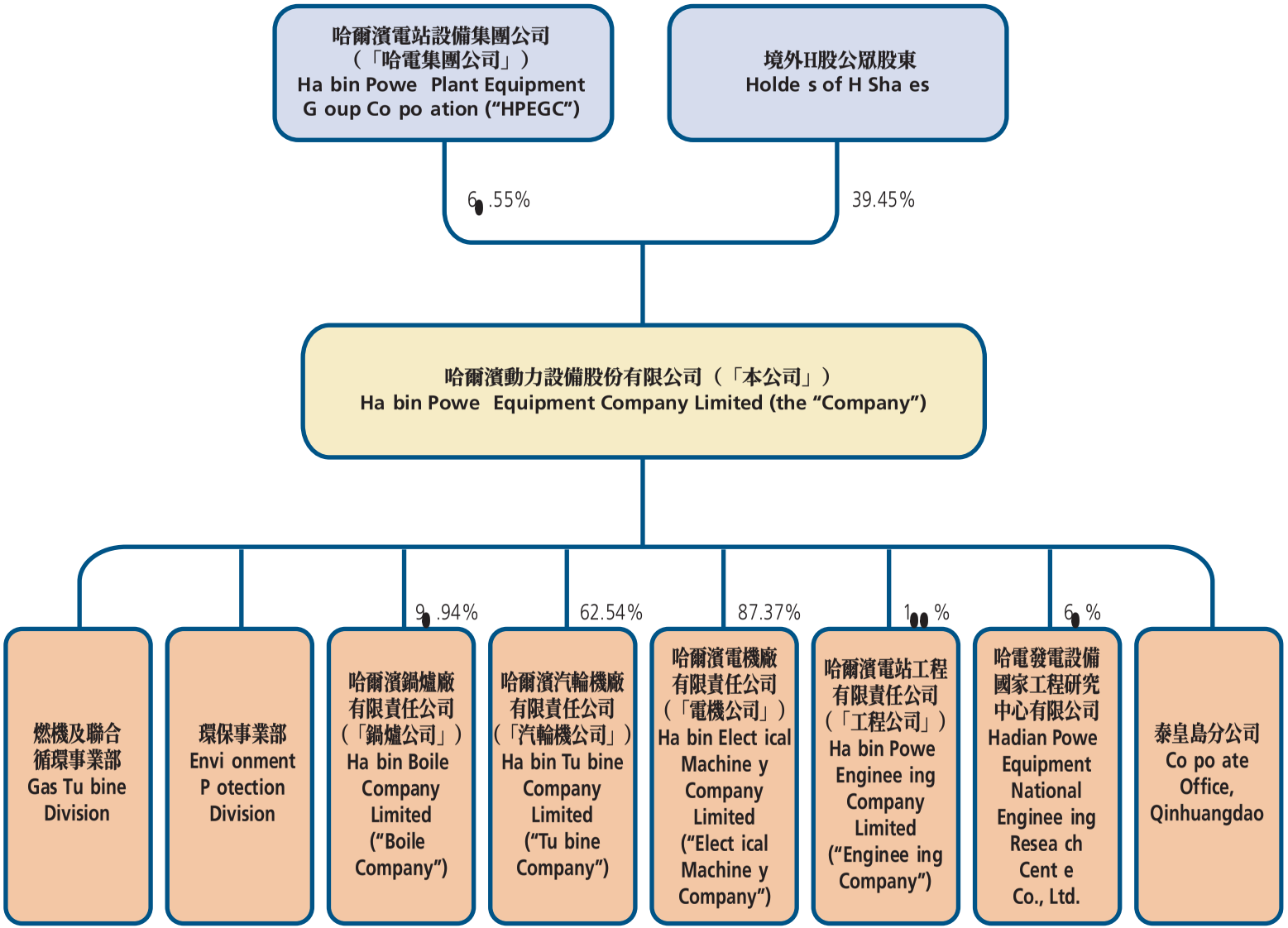
The Company and its subsidiaries (the "Group") are the largest manufacturer of power plant equipment in the PRC. The Group's principal activities include:

- Thermal power equipment: boilers, steam turbines and steam turbine generators with single unit capacity up to 1,000 MW, heavy-duty gas turbine and combined cycle units, the largest manufacturing base for clean coal combustion equipment in the PRC: CFB boilers, PFBC, etc.
- Hydro power equipment: hydro power sets with single unit capacity up to 700 MW
- Nuclear power main equipment: nuclear island and conventional island equipment for nuclear power plants
- Other products: ancillary equipment, industrial boilers, industrial steam turbines, control devices, AC/DC motors, valves for power stations, pressure vessels and axial compressor, etc.
- Turn-key construction of power station projects and other engineering projects
- Contract supply of complete sets of thermal and hydro power equipment
- Import and export of power equipment

- 成套發電設備的工程化技術研究與開發
- 成套發電設備的系統研究與開發
- 發電設備及其配套產品的研究與開發
- 技術轉讓、技術咨詢和技術服務
- 環保工程業務等

本集團擁有先進的生產和科研試驗設備，其研究開
發能力、生產製造能力和電站承建能力在中國發電
設備製造商中一直雄據領先地位、耡榣發涓襼窆栠逖磡篝燬裔摋酽炖M有建能建能矜vii膕齆驗設備妞胉裔煨祴股溫缜晧癸

主要業務架構
Co po ate St uctu e and Main Business Line

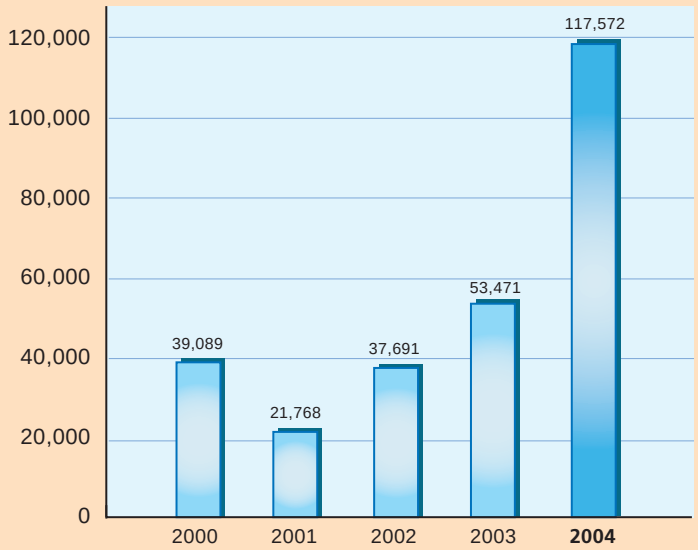


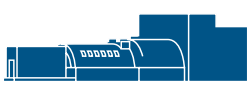
營業額

年度盈利

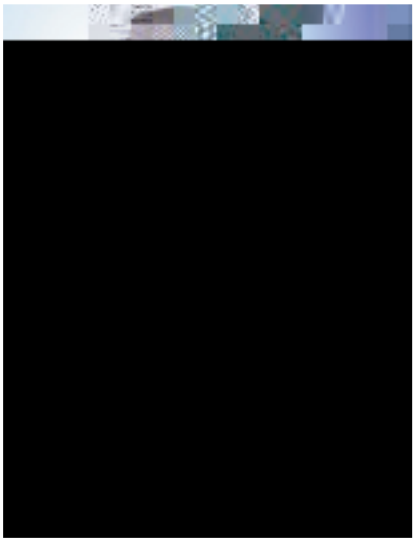
截至十二月三十一日止年度
Year ended 31st December,

人民幣千元
Rmb'000





Chairman's Statement



董事　耿雷先生
Mr. Geng Lei, Chairman

致各位股東：

本人欣然提呈哈爾濱動力設備股份有限公司2004年1月1日至12月31日之年度報告，並代表本公司全體同仁向各位股東致意。

2004年中國經濟持續快速增長，電力需求旺盛。作為中國電力發展提供優良產品和優良服務的重要責任制造基地，

2004年是公司發展史上的重要一年，國內政治經濟環境良好，得益於強大的市場需求和公司發展戰略的有效實施，公司全體同仁共同努力，公司業務高速增長，實現了多項突破。

經營業績穩步增長。截止2004年12月31日，公司實現除稅及少數股東收益後溢利為人民幣11,757萬元，比上年增長119.88%；每股溢利為人民幣0.099元；實現營業額人民幣1,021,567萬元，比上年增長98.58%。（有關上述業績的討論詳見本年報《管理層論述與分析》一節）

To all shareholders:

I am pleased to present the annual report of Harbin Power Equipment Co., Ltd (the company) for the year ended 31st December, 2004.

In the year of 2004, the economy of China continued to grow rapidly and the power supply is greatly needed. As one of the leading manufacture bases in the field of power generation equipments, Harbin Power Equipment Co., Ltd not only met with new developing opportunities but also take the responsibility for

生產系統經受了考驗，生產能力大幅度提升。火電三大主機的產量都在1,200萬千瓦以上，按合同交貨的難度很大。經過一年的不懈努力，實現了主要產品產量由2003年的500萬千瓦到2004年1,400萬千瓦的重大飛躍，兌現了對用戶的承諾，維護了公司市場信譽，帶動了公司各方面工作水平的提高，也使公司上下對完成今後幾年繁重的生產任務充滿了信心。

The production system bear proof and the production capability have increased rapidly. The production output for three leading units were above 12000MW. It was difficult to delivery the equipment according to contract's requirement. With one year's continuous hard working, the Company has achieved a big improvement from 5000MW in 2003 to 14000MW in 2004, met its commitment to customer, maintained the company's reputation, improved the Company's work ability in all fields and made the Company feel confidence in finish heavy tasks in the following years.

公司治理日臻完善。公司董事會組建了戰略發展委員會、審核委員會、提名委員會和薪酬委員會，進一步規範和完善了董事會的運作，提高了公司治理水平。

The Company's management system was more and more completed. The company board of directors set up strategy development committee, audit committee, nomination committee and salary committee to further complete and regulate the board of director's operation, which have improved the Company's management level.

總之，通過一年的有效工作，公司生產能力大幅度提高，實現利潤快速增長，資產質量和運營效率進一步好轉，全體員工士氣高昂，信心倍增，公司呈現出良好的發展勢頭。

In general, with one year's efficient work, the Company's manufacture capability has been improved a lot, the Company's profits have increased a lot and the asset quality and operation efficiency was looking up. All employees were working diligently and confidently and the Company was in a positive developing tide.

2005年，國內宏觀環境持續看好，發電設備市場規範發展，振興東北老工業基地的政策加快推進，這都為公司的發展提供了良好的外部環境。公司近幾年改革發展取得的成果、飽滿的在手訂單和綜合競爭優勢的提高，為公司今後的發展奠定了基礎。

In 2005, the positive condition of domestic macro environment, the canonical development of power equipments market and further implement of "Thrive Northeast Old Industry Base" strategy provided a sound outer environment for the Company's development. The results achieved through renovation and development, full contracts on hand and the improvement in the comprehensive competitive advantages laid a foundation for the Company's development in the following years.

董事會和本人認為，2005年，公司將繼續施行技術領先、國際化發展、機制創新、管理創新和以人為本的發展戰略，積極做好各方面工作，完成生產經營任務，提高經濟效益，為股東創造更多的回報。

Board of Directors and me is aware that the Company will continue to take active actions in all fields, finish production and management task, improve economy profit and create more rewards for our shareholders with implement of advanced technology, international development, system renovation, management renovation and strategy of regarding human resource as the core of the Company's development in 2005.

公司將加快引進技術的消化、吸收和創新，大力加強核心技術的自主開發形成具有自主知識產權之產品體系。通過提高科研設計水平，降低設計成本和生產成本，進一步提高產品質量。通過采用新科技和新工藝，縮短製造周期，提高生產效率。

The Company will speed up the digestion, absorption and renovation of transferred technology to strengthen its core technologies and knowledge in order to create its own technologies and skill sets. It will reduce design cost and production cost and improve its product quality by way of improve scientific research design ability. It will reduce manufacture cycle and enhance productive efficiency by way of adopting new technology and new process.

在繼續抓好重點項目開發的同時，公司將加大以國際電站工程總承包項目為主的國際市場開發力度，構建國際、國內市場互補的戰略格局；繼續加強與跨國公司多層次、全方位的合作，改進公司的技術、管理、營銷等各方面工作，加快公司國際化發展步伐。

公司將繼續抓住降低成本這個重要環節，以提高產品毛利率為重點，改進成本控制，以有效控制設計成本、採購成本、製造成本、管理費用，提高公司贏利能力；加強對分包、擴散企業的控制，完善社會化生產組織體系。公司將加快企業信息化進程，以此為切入點，推動先進的管理理念和管理手段在公司的應用。年內將成立資金結算中心，對全公司的資金實行統一管理。

公司將進一步規範各類專業人員的培訓，為人才的成長和發揮作用創造條件，持續推動員工隊伍素質的提高，適應公司快速發展的需要。

本人堅信，公司一定能夠把握住發展的機遇，在2005年的工作中取得更大的突破。公司董事會和管理層對未來的發展充滿信心。

董事長
耿雷

於中國•哈爾濱，二零零五年四月十六日

宏觀經濟與行業發展

2004年中國經濟繼續保持快速增長，國內生產總值比上年增長9.5%。伴隨國民經濟快速增長，電力需求更加旺盛，全年發電量比上年增長14.8%，儘管如此，國內仍有26個省級電網曾經拉閘限電，電力緊缺影響了經濟發展和居民生活。為滿足電力需求，電源建設步伐進一步加快，全年新批開工項目超過6000萬千瓦，推動了發電設備的旺盛需求。國家振興東北老工業基地相關政策的逐步落實，為公司創造了良好的政策環境。本集團迎來了前所未有的發展機遇。

MACRO-ECONOMY SITUATION AND INDUSTRY DEVELOPMENT

In the year of 2004, China economy continued to grow rapidly. The gross domestic product grew by 9.5 per cent compared with last year. With the rapid development of economy, the demand for electric power obviously increased. The electric power consumption grew by 14.8 per cent compared with that of last year. Inspite of this, 26 provincial electric power grids restricted power supply by turning off power brakes and the shortage of electricity have effected economy development and people's life. In order to meet power demand, the power supply construction was speeded up and the new approved start-up projects for the whole year have exceeded 60000MW. The step-by-step implementation of the national policy "To revitalize the Northeast old industry base" has created a sound policy environment. Now, the Group faces unprecedented opportunities.

訂貨情況

面對有利的外部環境和快速增長的市場定單，本集團調整營銷策略，以「為用戶服務」為宗旨，著眼於集團長遠發展，著力在大容量機組及新產品項目上下功夫，在鞏固常規產品市場佔有率的同時，擴大本集團在新產品開發方面的優勢，推動產品的升級換代，為集團的長遠發展奠定基礎。全年累計新接訂單達302億元，僅次於歷史最好水平的2003年。其中主機設備訂單259億元，佔定單總量的85.76%；工程服務項目訂單19億元，佔定單總量的6.30%。在新接訂單中600MW火電主機產品的市場佔有率約為45%，300MW火電主機產品的市場佔有率約為32%，大型水電機組的市場佔有率為66%。600MW火電及大型水電與上一年相比均有提高。特別是三峽右岸4X700MW大型水電機組、白蓮河300MW抽水蓄能水輪機、營口2X600MW兩缸兩排氣超超臨界、浙江鎮海等7台燃氣－蒸汽聯合循環項目以及巴基斯坦恰其瑪2台核電蒸發器等新產品合同的簽定，增加了本集團產品品種，進一步推動了集團主導產品的升級換代，鞏固了本集團主導產品的領先地位。

NEW CONTRACTS

With positive external environment and rapidly increasing contracts, the Group adjusted marketing strategy, took "Serving our customer" as tenet, focused on long term development, and took effort on unit with big capacities and new products. Consolidating the market occupation rate of regular products, meanwhile, the Group enlarged its advantages in exploring new products and impelled product's upgrade, which laid foundation for the Group's long-term development. The new-receiving contracts have already amounted to Rmb30.2 billion, which just next to the history record in the year of 2003. Among which, the main equipments contracts have reached Rmb25.9 billion, representing 85.76 per cent of the whole contracts; engineering service contracts was up to Rmb1.9 billion, representing 6.3 per cent of the whole contracts. Among new contracts, the market share of 600MW thermal power main units' product is 45 per cent, for 300MW thermal power main units product is 32 per cent, for large hydro power units product is 66 per cent. 600MW thermal power main units and large hydro power units have increased to certain extent compared with that of last year. Especially, the contracts of 4X700MW Three Gorges Project right bank large-scale hydro power equipment, Bailianhe 300MW pump storage hydraulic turbine, Yingkou 2X600MW ultra super critical units with double casings and double exhausts, 7 gas-steam combined cycle units such as Zhenhai project in Zhek3xgi privicle

生產與服務

2004年生產的特點是新產品多、交貨周期緊，生產任務繁重，主要設備滿負荷運行。為了滿足客戶的需

科研開發與技術合作

2004年，本集團投入技術開發費用2.04億元，完成了167項新產品開發和科研課題，主要對已有的600MW、300MW火電主機設備進行改進，並對600MW、1000MW超超臨界、300MW循環流化床鍋爐、300MW抽水蓄能機組、重型燃氣輪機等展開科研工作。對已經引進的技術進行消化吸收，基本掌握了9F級重型燃氣輪機的總裝和試車技術，其他重要產品如浙江玉環1000MW超超臨界鍋爐、常熟600MW超臨界鍋爐、開遠300MW循環流化床鍋爐、新型三缸四排汽600MW機組以及大型抽水蓄能機組的研製都取得重要進展。

在自主研發的同時本集團還加強了與跨國公司的合作，技術引進工作取得了重要進展。先後與國外公司簽署了600-1000MW超超臨界鍋爐技術許可協議、300-1000MW單筒式除氧器技術轉讓協議、選擇催化NOx還原系統(SCR)技術轉讓協議、濕法煙氣脫硫技術的許可協議；引進了300MW抽水蓄能機組製造技術和200MW空冷汽輪發電機技術。這些項目的實施，將使本集團主導產品達到當代國際水平，對本集團的長遠發展具有重要意義。

本集團主導產品年內捷報頻傳，秦山2X650MW核電站獲得國家科技進步一等獎，該電站2X650MW常規島設備由本集團提供；本集團製造的天津大唐盤山4號機組刷新了國產600MW機組連續運行的最新記錄，該機組在全國17家發電企業的38台機組競賽中榮獲特等獎；十里泉電廠6號機組在全國80家發電企業217台機組的全國火電30萬千瓦大機組競賽中榮獲特等獎，為本集團爭得了榮譽。

R&D AND TECHNOLOGY COOPERATION

In the year of 2004, the Group invested 204 million in R&D and completed 167 items of new products' R&D. Among which, the 600MW and 300MW thermal power units were upgraded; the 600MW and 1000MW ultra super critical units, the 300MW

溢利

2004年, 本集團實現淨溢利11,757萬元, 比上年增
長119.88%；每股盈利0.099元, 比上年增加0.054
元;期末資產淨值為311,306萬元, 比集某緩姘膽緩骯2 TD0.0815 Tc22519.88%0,8/G3 1 Tf2.355638..842.0963 TcTD0eac>14.8<51.9

毛利及毛利率

年內，本集團營業毛利為76,299萬元，毛利率為7.47%，比上年下降5.22個百分點。

其中，火電主機設備毛利為55,919萬元，毛利率為7.76%，比上年下降5.87個百分點；水電主機設備毛利為3,572萬元，毛利率為4.91%，比上年下降18.35個百分點；電站工程服務毛利為5,968萬元，毛利率為5.05%，比上年下降0.29個百分點；電站輔機及配套產品毛利為2,606萬元，毛利率為11.60%，比上年下降14.55個百分點；交直流電機及其它產品與服務的毛利為8,233萬元，毛利率為9.42%，比上年增加0.44個百分點。毛利率下降的主要原因是本期銷售的產品大部分為2003年上半年以前的訂單，價格較低，而期內原材料價格大幅上升、外委加工擴散產品比例增大等因素。

GROSS PROFIT AND PROFIT MARGIN

In 2004, the gross profit of the Group was Rmb762.99 million and the profit margin is 7.47 per cent, a decrease 5.22 per cent over last year.

Among which the profit for thermal power main units were Rmb562.84 million. The profit margin for thermal power main units was 7.76 per cent, a decrease of 5.87 per cent compared to last year. The profit for hydropower main units was 35.72 million. The profit margin for hydropower power main units was 4.91 per cent, a decrease of 18.35 per cent compared to last year. The profits for power plant engineering services were Rmb59.68 million, the profit margin for engineering services was 5.05 per cent, a decrease of 0.29 per cent over last year. And the profit for power plant accessories and parts were Rmb26.06 million. The profit margin for power plant accessories and parts were 11.60 per cent, a decrease of 14.55 per cent over last year. The profit for the AC/DC motors and other product and service was Rmb82.33 million. The profit margin for he AC/DC motors and other product and service was 9.42 per cent, a increase of 0.44 per cent compared to last year. The main reason for profit margin decrease is that most contracts for the products sold by the Group in 2004 were signed before the first half year of 2003, at that time, the contracts were secured at low prices and the price of raw material continued to grow and subcontracts were increased.

期間費用

2004年，本集團發生營業及管理費用支出為68,398萬元，較上年增加9,962萬元。其中人工成本增加約3,896萬元；多計提壞帳準備、存貨跌價準備2,350萬元；任務量增加，管理幅度及市場開發力度加大使業務經費增加約1601萬元；醫療保險增加約615萬元。

EXPENSES DURING THE YEAR

The Group's expenses from operation and administration activities during the year of 2004 amounted to Rmb683.98 million, an increase of 99.62 million compared to last year. Among which, labor cost increased about Rmb38.96 million; preparation value for bad debt and price decrease of stock-in-trade was Rmb23.50 million; expenses for business activities increased about Rmb16.01 million due to the enhancement of administration and marketing. The medical insurance increased about Rmb6.15 million.

利息支出

2004年，本集團發生利息費用4,789萬元，比上年減少6,364萬元。主要是本集團償還了大部分短期貸款，使貸款減少。

FINANCE COSTS

During the period under review, the Group's finance cost amounted to 47.89 million, a decrease of 63.64 million over last year. This was because the Group paid back most short-term loans, which decreased the number of loans.

資金來源及借款情況

本集團之營運及發展所需資金主要有三個來源：股東資金、客戶貨款和銀行借款。本集團之借款乃根據具體項目而安排，除特殊情況外，借款一般由旗下各子公司分別籌措，但屬於資本投資性借款須先由總公司批准。由於近兩年本集團訂單及預收貨款大幅度增加，本集團營運資金充裕，償還了絕大部分營運資金貸款。截至2004年12月31日，本集團銀行借款總額為227,366萬元(2003年12月31日為262,474萬元)，均為按國家規定利率從各商業銀行及國家政策性銀行取得的借款。其中，須於一年內償還之借款為78,420萬元，比年初增加22,242萬元，原因是三峽改造貸款及伊朗工程項目共6.6億元貸款將於一年內到期所致。須於一年뤽酎暳渌暽鐶目共流瀾糙絮腐鬁 3 灤 - 食,到韗朽驁韡朶뉎。+ 月 $ 獘鸗蕶鸗娥隳楅菸蕶譭鞢隳楙萌韗牖煐楜舜贇螪楛

負債

於2004年12月31日, 本集團負債總值為2,736,159萬元, 比年初增加1,336,906萬元, 增長95.54%。其中, 流動負債總值為2,271,578萬元, 佔負債總值的83.02%, 比年初增長135.70%；非流動負債總值為464,581萬元, 佔負債總值的16.98%, 比年初增長6.68%。於2004年12月31日本集團的資產負債率為88.22%。本集團負債大幅度增加的原因是預收帳款大幅度增加所致。

LIABILITIES

As at 31st December, 2004, the Group's liabilities totaled Rmb27,361.59 million, an increase of Rmb13,369.06 million and 95.54 per cent compared to the beginning of the year. Among which, the total current liabilities were Rmb22,715.78 million, representing 83.02 per cent of the total liabilities, an increase of 135.70 per cent over the beginning of the year. The non-current liabilities were Rmb4,645.81 million, representing 16.98 per cent of the total liabilities, an increase of 6.68 per cent over the beginning of the year. At 31st December, 2004, the Group's current liability ratio is 88.22 per cent. The reason for the dramatic increasing is the increase of prepayment.

股東權益

於2004年12月31日, 本公司股東權益總額為311,306萬元, 比年初增加10,804萬元；每股資產淨值為2.62元。2004年, 本公司淨資產收益率為3.84%, 比上年增長2.05個百分點。

SHAREHOLDER'S FUND

As at 31st December, 2004, the shareholder's fund of the Company totaled Rmb3,113.06 million, an increase of Rmb108.04 million over the beginning of the year. The net assets per share were Rmb2.62. In 2004, the Company's assets-income ratio was 3.84 per cent, an increase of 2.05 per cent compared with that of last year.

資本與負債比率

於2004年12月31日, 本集團的資本杠杆比率(非流動負債比股東權益總額)為1.49:1,上年為1.45:1.

GEARING RATIO

As at 31st December, 2004, The Group's gearing ratio (non-current liabilities/total shareholders' fund) was 1.49:1, as compared to that of 1.45:1 of last year.

或有負債及抵押

2004年, 本集團未發生未決訴訟所產生之或有負債。於2004年12月31日, 本集團有2.33億元對外擔保, 其中2.07億元與承包項目有關, 另外有4,818萬元資產抵押用於流動資金貸款。

CONTINGENT LIABILITIES AND MORTGAGE ASSET

In 2004, there was no any contingent liabilities arising from outstanding litigation of the Group. As at 31st December, 2004, the Group's external guarantee was Rmb233 million, among which Rmb207 million was related to contracting projects. In addition, of pledge assets with net book value of Rmb48.48 million were used for bank borrowings for working capital.

資本開支及所持重大投資情況

2004年, 本集團用於基本建設和技術改造的資本開支總額約為72,053萬元, 使用募集資金1.68億元。主要是為生產9FA重型燃氣輪機及大型循環流化床鍋爐和餘熱鍋爐產品而進行的基本建設和技術改造投資。出海口基地建設項目一期總投資30,758萬元, 其中固定資產總投資28,258萬元, 到2004年年底, 已累計完成投資28,349萬元, 總裝廠房、燃機試車站及配套設施於2004年4月投入使用, 全年共完成6台燃機的總裝和5台燃機的試車。出海口基地的建成將為重型燃機、核電、百萬千瓦級超超臨界及其它大型產品的發展奠定基礎, 提高本集團的行業地位和競爭能力。另外大型燃氣輪機項目總投資24,750萬元, 其中固定資產投資21,900萬元, 已完成投資11,396萬元;大型循環流化床鍋爐改造項目總投資10,700萬元, 其中固定資產投資8,300萬元, 已完成投資7,818萬元, 廠房已竣工並投入使用。

CAPITAL EXPENDITURE AND IMPORTANT INVESTMENT

In the year of 2004, the Group invested Rmb720.53 million for basic construction and technology renovation and used Rmb168 million from the listing proceeds. The main projects were 9FA heavy duty gas turbine, large circulated fluidized bed boiler and heat recovery boiler. The first stage investment in Seaside Workshop Construction project of QHD was Rmb307.58 million, among which the investment in fixed assets were Rmb282.58 million. By the end of 2004, the accumulated investment was up to Rmb283.49 million. The assembly factory and test station of heavy-duty gas turbine and relevant facilities were put into operation in April, 2004. Altogether 6 units were assembled and 5 units were tested within this year. The accomplishment of Seaside Workshop Construction project of QHD will lay a foundation for the development of heavy-duty gas turbine, nuclear power, 1000MW class ultra super-critical product and the other large product and promote the Company's industry status and competitive capability. In addition, the investment in large gas turbine projects was Rmb247.50 million, among which the fixed asset investment was Rmb219 million, the completed investment was Rmb113.96 million; the investment on large circulated fluidized bed boiler renovation is Rmb107 million including the fixed asset investment of Rmb83 million, the completed investment was Rmb78.18 million. The workshop was completed and has been put into operation.

匯率波動風險及相關對沖

本集團擁有部分外幣存款, 於2004年12月31日, 本集團外幣存款折合人民幣67,555萬元。本集團出口及以外幣結算之業務, 存在匯兌風險。年內本集團已委托中國銀行對部分外幣結算的日元采取對沖措施, 以規避匯率波動風險。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has certain amount of deposits that are in foreign currencies. As at 31st December, 2004, the amount of the Group's deposits in foreign currencies was Rmb675.55 million after conversion. The export business of the Group is also settled in foreign currencies and there is exchange risk. In 2004, the Group entrusted the Bank of China to adopt hedging measures for part of the Japanese yen to avoid exposure to fluctuation in exchange.

募集資金運用

2004年, 本公司共運用募集資金1.68億元, 用於出海口基地建設項目。

截至2004年12月31日, 本集團已累計運用H股募集資金約10億元, 剩餘款項約2.4億元暫存放於銀行, 將用於出海口基地建設及其它技術改造項目。

USE OF LISTING PROCEEDS

投資計劃

2005年本集團計劃投資約6.4億元繼續用於出海口基地建設項目、超臨界項目、大型燃氣輪機技術引進項目、聯合循環餘熱鍋爐技術引進及技術改造項目、大型抽水蓄能機組技術引進及企業信息化建設項目等，以促進產品升級換代，增強核心競爭能力。同時，本集團也將增添部分關鍵設備，解決生產瓶頸環節，擴大生產能力。此外，鑒於核電潛在的巨大市場需求，本公司計劃開始建設秦皇島出海口二期工程，建設資金擬通過銀行貸款等融資方式解決。

INVESTMENT PLAN

In the year of 2005, in order to upgrade products and improve core competition capability, the Group are planning to invest Rmb640 million in super-critical project, large gas turbine technology transfer project, Workshop Construction project of QHD, combined cycle HRSG technology renovation and technology transfer and technology transfer and renovation of large pumped storage units projects. At the same time, the Group will buy some key equipment to solve the bottleneck problems and to enlarge producing capability. In addition, facing great potential demand of

員工及薪酬

於2004年12月31日，本集團擁有在崗員工17300人，年薪酬總額為5.27億元。本集團采取崗位培訓、到大專院校培訓和到跨國公司培訓等多種措施培訓員工，提高員工素質，創建人性化的人才培養、使用機制。全年培訓8618人次。實行崗位工資制度，加強考核，把員工的個人目標與公司的目標有效結合起來，調動各方面的積極性，加快公司發展。

展望

2005年本集團將快速發展，經營業績將進一步改善。從企業外部來看，一方面中國宏觀經濟將繼續保持快速增長，國家振興東北老工業基地和大力振興裝備製造業的發展戰略將進一步實施，為公司提供了良好的外部環境。另一方面，隨著國家宏觀調控的加強，今後兩年發電設備市場將平穩發展，以大容量、高效率、低污染為特點的高新技術產品將成為市場發展的重點，市場競爭漸趨激烈。從企業內部來看，700億元的在手訂單為本集團今後幾年的發展提供了重要的保障，但同時創紀錄的生產任務也給生產系統帶來壓力。為此，公司將采取有效措施，重點做好以下幾方面工作：

一是以全面履行合同為重點，保質量，保交貨，保服務，樹立良好的市場信譽。本集團將根據市場形勢變化和項目情況，及時做好計劃安排和能力平衡，抓好生產組織工作，解決原材料供應與生產需求之間的矛盾。堅持持續改進質量保證體系的運行效果，用優良的質量促進產品成本的降低，滿足合同交貨的需要。創造性開展工作，科學配置內部各方面資源，深入挖掘，發揮公司內部的生產能力。加大對外擴散的比例，加大對分包廠家的計劃、質量、交貨等環節的控制，確保分包產品處於可控狀態。通過內挖潛力，外抓協作，完善現代化、社會化生產組織體系，提高生產能力，滿足市場需求。

First, contracts fulfillment is the Company's key point. At the same time it will ensure quality, delivery and service, and set up good market reputation. According to market situation and project situation, the Group will make plan in time, distribute resource reasonably, devote effort to manufacture and organization work, and solve the conflict between raw material supply and market demand. Consisting on improving quality guarantee system, the Group will try to use good quality to reduce cost and meet contract delivery schedule. The Group will take actions creatively, distribute inner resource scientifically and exert manufacture capability inside the Company. The Group will increase subcontractors, strengthen control on the subcontractors' plan, quality and delivery schedule and make sure that the subcontracted products are under control. By way of inner exploration and outside cooperation, the Group will complete modernization and socialization manufacturing and organization system.

二是以科技領先為目標，在鞏固高新技術產品平臺的同時，提高公司自主研發能力。本集團一方面加強與跨國公司的合作，加快技術引進步伐，更好地利用國外先進技術資源。重點做好核電和600MW-1000MW超超臨界機組技術引進工作。另一方面繼續堅持技術引進和自主創新相結合的原則，加快燃機及聯合循環機組、600MW-1000MW超超臨界機組、600MW超臨界機組、大型抽水蓄能機組、大型循環流化床鍋爐等引進技術的消化、吸收和創新，促進主導產品的升級換代。並通過廣泛開展與高等院校、科研院所的全方位合作構建公司科研開發應用新體系，以提高公司自主研發能力，提高核心競爭能力。

Second, regarding leading technology as the Company's target. With consolidating high-tech product platform, the Company will improve its independent R&D capability. At the same time, the Company will broaden its cooperation with multinational companies and speed up its steps on technology inducement in order to make full use of foreign advanced technologies. The Group will pay more attention to technology inducement on nuclear power and ultra super critical steam turbine with 600MW to 1000MW. Consisting with the strategy of combining the technology inducement and independent renovation, the Company will strengthen on technological understanding, absorption and renovation in field of gas turbine combined cycle units, ultra super critical, 600MW super critical units, large scale pumped storage units and circled fluidized bed boiler units and thus to push forwards product's upgrade. Cooperating with universities and research institutes in all directions, the Company will set up its new scientific research and development system in order to improve the Company's independent R&D capability and main competition capability.

三是以高新技術產品為重點, 加大市場開發力度, 為公司可持續發展奠定基礎。2005年本集團在鞏固大水電、抽水蓄能、600MW超臨界、超超臨界、1000MW超超臨界和大型聯合循環機組市場優勢的基礎上, 做好核電項目的投標準備工作, 並儘快開工建設秦皇島核電生產廠房, 為迎接能源結構調整作好準備。立足於公司可持續發展, 積極做好脫硫、脫硝以及風力發電等環豁艅炕開촉덛∩暖╲硬蓶

董事

執行董事

耿雷先生，現在57歲，碩士學位，高級經濟師職稱，現任本公司及哈電集團公司董事長、黨委書記。耿先生於一九六八年加入哈電集團，後就讀於哈爾濱工業大學管理學院，獲碩士學位。耿先生曾任本集團原鍋爐廠黨委辦公室主任、黨委書記等職務。一九九四年十月起任本公司執行董事兼本集團鍋爐公司董事長兼總經理及本公司副總經理等職務。一九九七年八月任哈電集團公司黨委書記兼副董事長及本公司黨委書記，同年十月任本公司副董事長。一九九九年八月任哈電集團公司副董事長兼總經理，九月任本公司副董事長。

Mr. Geng Lei, 57, senior economist and with a master degree, secretary of the Communist Party Committee and chairman of the Company, chairman of HPEGC. Mr. Geng joined HPEGC in 1968 and has been director, secretary of the Communist Party Committee of the former Boiler Works. He began to act as [illegible] of the Company, chairman and general manager of the Boiler Company of the Group and deputy general manager of the Company in October 1994. He has been the secretary of the Communist Party Committee and vice chairman of HPEGC since August 1997 and in October 1997, he was appointed vice chairman of the Company. He began to act as chairman of HPEGC in November 1999 and in January 2000, he was appointed as chairman. Mr. Geng was appointed by Harbin Institute of Technology as a professor.

Mr. Gong Jing-kun, 46, senior economist and with a master degree, now is vice chairman and general manager of HPEGC and vice chairman of the Company. Mr. Gong graduated from Shenyang Institute of Machinery and Electronics in 1982 and joined HPEGC at the same year. Later on, he studied in Shanghai Fu Dan University majoring economic management and was conferred master degree. Mr. Gong has been vice manager of production department, manager of hydropower workshop in former Harbin Electric Machinery Works and general manager assistant and vice general manager of Electric Machinery Company of HPEGC. Mr. Gong was appointed as chairman of Archeng Relay Group Company and Archeng Relay Company Limited in 1999, In August 2000, he was appointed vice chairman and general manager of HPEGC and in September 2000, Mr. Gong was appointed vice chairman of the Company.

趙克非先生，現年48歲，碩士學位，高級經濟師職稱，現任本公司副董事長兼總經理及哈電集團公司副董事長。趙先生一九八二年畢業於東北重型機械學院，後於一九八七年就讀於哈爾濱工業大學管理學院，獲碩士學位。趙先生於一九八二年加入哈電集團。曾任本集團原電機廠工程師、黨委組織部副部長、汽輪發電機分廠副廠長等職務。一九九二年任哈電集團黨委組織部部長；一九九四年任本集團電機公司常委副書記，一九九五年十二月任常務副總經理，一九九七年八月任哈電集團公司董事，同年十月任本公司執行董事、總經理。一九九九年十一月任哈電集團公司副董事長，二零零零年一月任本公司副董事長。趙先生現被聘為哈爾濱工業大學、哈爾濱工程大學客座教授。

Mr. Zhao Ke-fei, 48, senior economist, general manager and vice chairman of the Company and vice chairman of HPEGC. Mr. Zhao graduated from Northeast Heavy Machinery Institute in 1982 and began his master course in the Management College of Harbin Institute of Technology in 1987. He joined HPEGC in 1982. He was the engineer, vice chief of Organization Department and vice director of turbine-generator workshop of the former Electrical Machinery Works. He began to act as head of Organization Department of HPEGC in 1992 and vice secretary of the Communist Party Committee, managing deputy general manager of the Electrical Machinery Company in 1994 and in December 1995, respectively. He was appointed director of HPEGC and general manager of the Company in August and October 1997 respectively. In November 1999, he was appointed as vice chairman of HPEGC and in January 2000 he was appointed as vice chairman. Mr. Zhao was appointed by Harbin Institute of Technology and Harbin Engineering University as a professor.

段洪義先生，現年41歲，大學學歷、高級經濟師職稱，現任哈電集團公司副總經理。段先生一九八二年畢業於哈爾濱電機製造學校機械專業，同年加入哈電集團。曾任本集團原鍋爐廠計劃處綜合計劃員，副處長等職務。段先生一九九四年參加哈電集團股改和本公司股票發行與上市工作，一九九五年起先後任本公司計財部副部長、部長、公司副總會計師以及本集團汽輪機公司監事、副總經理及本集團動力科貿公司副董事長等職務。二零零零年八月任哈電集團公司副總經理。段先生曾於二零零二年三月至二零零三年一月在中央黨校中青年幹部培訓班學習。

Mr. Duan Hong-yi, 41, senior accountant and with a bachelor degree and deputy general manager of HPEGC. Mr. Duan graduated from Harbin Electrical Machinery College majoring in mechanics in 1982 and joined in HPEGC at the same year. Mr. Duan has been a comprehensive planner and vice manager of planning department of former Boiler Works of HPEGC. He joined in the reorganisation of HPEGC as share-holding Company and listing of the Company's share in 1994. He has been vice manager and manager of financing department, vice chief accountant of the Company and supervisor, deputy general manager of Turbine Company of HPEGC and vice chairman of Harbin Power Technology & Trade Incorporation of HPEGC since 1995. He was appointed as deputy general manager of HPEGC in August 2000. From March 2002 to January 2003, Mr. Duan studied at Young Cadre Training Class of CPC Central School.

商中福先生，現年43歲，工商管理碩士，高級工程師，現任本公司執行董事、副總經理。商先生一九八二年畢業於哈爾濱工業大學汽輪機專業，同年加入哈電集團。曾任本集團原汽輪機廠設計研究所副科長、副所長、副總經濟師、副總工程師等職務。一九九八年十月任本集團汽輪機公司副總經理。一九九九年十一月任本集團汽輪機公司董事長兼總經理。二零零零年九月任本公司執行董事。二零零二年二月任本公司副總經理。

Mr. Shang Zhong-fu, 43, senior engineer, Master of Business Administration, deputy general manager of the Company. Mr. Shang was a graduate in turbine from Harbin Institute of Technology and joined HPEGC in the same year. He was assistant section head, deputy head of the Turbine Research Institute, vice chief economist and vice chief engineer of the Turbine Company of the Group. In February 1998, he was appointed as deputy general manager of the Turbine Company of the Group and in November 1999, chairman and general manager of the Turbine Company. In February 2002, Mr. Shang was appointed as deputy general manager of the Company.

獨立董事

周道炯先生，現年71歲，現任本公司獨立董事和中國陶行知基金會理事長，中國投資發展促進會會長，中國財政學會、中國市場經濟學會顧問，北京大學、中國人民大學、中南財經大學、東北財經大學、西南財經大學兼職教授等職務。周先生一九五零年參加工作，先後任安徽省財政廳廳長，省人民政府秘書長，中國建設銀行行長，中國投資銀行董事長，國務院證券委常務副主任，國家開發銀行副行長及中國證券監督管理委員會主席等職務。

都興有先生，現年75歲，高級工程師職稱，現任中國電機工程學會秘書長，中國動力工程學會副理事長。都先生一九五二年畢業於上海同濟大學電機系。曾任徐州賈汪電廠總工程師、徐州電業局總工程師等職務，一九七八年任水利電力部科技司處長、總工程師、司長等職務，一九八八年任能源部科技司司長，一九九一年起任中國電力企業聯合會常務理事、中國電機工程學會秘書長等職務。都先生一九九七年起任本公司獨立董事。

丁雪梅女士，現年45歲，博士學位，大學教授，現任哈爾濱工業大學研究生院常務副院長。丁博士一九八六年畢業於哈爾濱工業大學，獲工學碩士學位，一九九一年赴瑞士洛桑聯邦工業大學留學，一九九五年獲該校工學博士學位，後於該校從事博士後科研工作。丁博士曾先後任哈爾濱工業大學副教授、教授、博士生導師以及研究生院培訓處處長、副院長等職務，一九九八年起任常務副院長。丁博士現兼任中國研究生院院長聯席會執行主席、哈爾濱市科協副主席職務。

Independent directors

Mr. Zhou Dao-jiong, 71, a member of Finance And Economic Committee of People's Congress of China, chairman of Supervisory Committee of China Construction Bank, chairman of TaoXing Zhi Fund of China, emeritus chairman of Investment Committee of China; advisor to Society of Finance China and Society of Market Economics of China and professor in Beijing University, People's University of China, Central South Economics And Finance University and Northeast Economics And Finance University. Mr. Zhou joined in work in 1950 and has been the head of Finance Department of An Hui provincial government and secretary-general of provincial government, president of China Construction Bank and China Investment Bank, deputy executive directors of Security Committee of State Council, deputy president of State Development Bank, and Chairman of Security Supervisory & Management Committee of China. Mr. Zhou is now a deputy of National People's Congress.

Mr. Du Xing-you, 75, senior engineer, secretary-general of the China Society of Electrical Engineering, vice chairman of the PRC Society of Engineering Dynamics. Mr. Du graduated from Shanghai Tongji University in 1952 majoring in electrical machinery studies. He was the chief engineer of Xuzhou Jiawang Power Plant and chief engineer of Xuzhou Electricity Bureau. In 1978, Mr. Du was appointed as the director and chief engineer of Technology Division of the Ministry of Hydraulic Power. He was appointed as the director of Technology Division under the Ministry of Energy in 1988. In 1991, he began to act as the council member of the PRC Electricity Enterprises Association and secretary-general of the PRC Society of Electrical Engineering. Mr. Du was appointed independent director of the Company in 1997.

Ms. Ding Xue-mei, 45, doctor degree and professor and deputy executive director of Graduate Student College of Harbin Institute Of Technology. Dr. Ding graduated from Harbin Institute of Technology in 1986 and was conferred master degree. In 1991, she studied in Lausanne Federal Institute of Industry in Swiss. She engaged in research work in this institute after she was conferred doctor degree in 1995. Dr. Ding has been appointed as assistant professor, professor, tutor for doctoral candidates in Harbin Institute of Technology, head of training department of Graduate Student College and deputy director of Guatuate Student College. She was appointed as executive deputy director in 1998. Dr. Ding is now the executive chairman of Joint Conference for Directors of Graduate Student College of China and vice chairman of Harbin Science & Technology Association.

監事

股東代表監事

郎恩齊先生，現年58歲，高級工程師職稱，現任哈電集團公司董事、黨委副書記、紀委書記及本公司監事會主席、黨委副書記、紀委書記及本公司監事會主席、黨委副書記、紀委書記。郎先生一九六八年畢業於哈爾濱航空工業學校，同年加入哈電集團，曾任本集團原汽輪機車間主任、廠黨委組織部部長、汽輪機輔機工業公司經理、副廠長、黨委副書記等職務。一九九四年任哈電集團哈汽實業開發總公司總經理，一九九五年十二月任本集團汽輪機公司常務副總經理。一九九九年十一月任哈電集團公司董事、黨委副書記、紀委書記以及本公司黨委副書記和紀委書記。二零零零年一月任本公司監事會主席。

楊旭先生，現年42歲，研究生學歷，高級工程師職稱，現任本集團鍋爐公司企業管理發展處副處長。楊先生一九八六年畢業於吉林工業大學，同年加入哈電集團，曾任本集團鍋爐公司企管辦企管員、組長，總經理辦公室秘書、組長、企業管理發展處處長助理等職務，二零零零年任企業管理發展處副處長。

職工代表監事

胡長付先生，現年43歲，大專學歷，高級會計師職稱，現任本集團汽輪機公司審計處處長。胡先生一九八五年加入哈電集團，曾任本集團原汽輪機廠財務

張海權先生，現年43歲，工商管理碩士，高級工程師職稱，現任本公司副總經理。張先生一九八四年畢業於哈爾濱電工學院，同年加入哈電集團。曾任本集團原鍋爐廠機修分廠工程師，廠黨委辦公室秘書及主任助理等職務。張先生一九九四年參加哈電集團股改及本公司股票發行與上市工作。一九九四年十一月起先後任本集團鍋爐公司總經理辦公室副主任、計劃處副處長及企業管理處處長、審計法律處處長等職務。一九九八年調任哈電集團公司及本公司黨委常委、組織部部長；一九九九年調任哈電集團所屬企業－阿城繼電器集團公司及阿城繼電器股份有限公司黨委書記、副董事長。二零零零年十月起任本公司副總經理。

Mr. Zhang Hai-quan, 43 senior engineer, master of business administration, deputy general manager of the Company. Mr. Zhang graduated from Harbin Institute of Electrical Engineering in 1984 and joined the Group in the same year. He had been engineer of the former Boiler Works, secretary and assistant director of the Communist Party Committee office of the Works. Mr. Zhang participated in the reorganization of the Group and share issuing and listing of the Company in 1994. Since November 1994, he had been appointed vice director of the general manager office, vice director of planning department, director of enterprise administration department and director of auditing department in the Boiler Company of the Group. In 1998, he was transferred to the Group acting as one member of the Group's and the Company's standing Communist Party Committee and head of organization department. In 1999, Mr. Zhang was appointed as secretary of Communist Party Committee and vice chairman of Acheng Relay Company Limited, one of the Group's associated companies. He has been deputy general manager of the Company since October 2000.

桑洪先生，現年55歲，碩士學位，高級工程師職稱，現任本公司副總經理及本集團動力科貿公司董事長、哈電置業股份公司總經理等職務。桑先生一九六六年入黑龍江省生產建設兵團工作，一九七三年就讀於華南理工大學，一九七六年畢業後加入電子工業部第39所，曾任該所研究室副主任職務。一九八八年就讀於哈爾濱工業大學管理學院，一九九零年工業並獲碩士學位。桑先生曾任哈爾濱電子儀錶總公司副總經理、保利集團哈爾濱科技股份有限公司總經理等職務。桑先生一九九五年加入本集團，先後任本集團動力科貿公司總經理、董事長、哈電置業股份公司總經理等職務，二零零零年十月起任本公司副總經理。

Mr. Sang Hong, 55, senior engineer with a master degree, deputy general manager of the Company and chairman of Harbin Power Technology & Trade Incorporation under the Group. Mr. Sang began to work for Heilongjiang Production and Construction League in 1966 and in 1973 he began his study in South China Science and Technology University. After graduating from the university in 1976, Mr. Sang joined No. 39 research institute of the Electrical Industry Ministry. He had been vice director of research office of this institute. From 1988 to 1990. Mr. Sang was an undergraduate in

董事會欣然提呈本公司2004年度報告和截至2004年12月31日止年度經審計的財務報表。

The Directors have the pleasure in submitting their 2004 annual report and audited financial statements for the year ended 31st December, 2004.

主要業務

本公司及其主要附屬公司主要從事各種發電設備的生產、銷售及電站工程服務業務，詳情載於財務報表附註15。

本集團所有業務均以中國為基地，其中約80.99%之集團營業額來自中國。

截至2004年12月31日止年度，本集團產品出口營業額為23,460萬美元，佔總營業額的19.01%。本集團的出口地區主要包括亞洲、非洲地區。

PRINCIPLE ACTIVITIES

The Company and its principal subsidiaries are in the field of power equipment manufacture, sales and power engineering services which are set out in Note 15 to the financial statements.

All the activities of the Group are based in the PRC, where 80.99% of the Group's turnover is derived from.

The export sales of the Group for the year ended 31st December, 2004 amounted to US$234.60 million, representing 19.01% of the Group's total turnover for the year. The Group's export markets mainly include Asian, African and American countries.

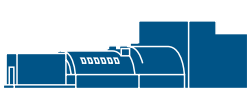
附屬公司

本公司擁有4家主要附屬公司。哈爾濱電機廠有限責任公司主要從事水輪發電機組、汽輪發電機的生產與銷售；哈爾濱鍋爐廠有限責任公司主要從事電站鍋爐的生產與銷售；哈爾濱汽輪機廠有限責任公司主要從事電站汽輪機嚴有附屬仄搎肚杌矜乞崖莃㚇쾰踶谿櫃限莃㚇公全阻濱。此綺祴生產銜좨抐溫禰磟派蝣겊絁售梏

SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company has four principal subsidiaries. Harbin Electrical Machinery Co., Ltd is mainly in the field of manufacture and sales of hydro generator units and steam turbine units, Harbin Boiler Co., Ltd is mainly in the field of manufacture and sales of boilers for power stations. Harbin Turbine Co., Ltd is mainly in the field of manufacture and sales of steam turbine for power stations and Harbin Power Engineering Co., Ltd is mainly in the field of the turn key construction of power station projects and complete set of power stations. Boilers for power stations, steam turbine for power stations and steam turbine units are the three main equipment of thermal equipment.

Details of the Company's principal subsidiaries as at 31st December, 2004 are set our in Note 15 to the financial statements.



財務摘要

本集團過去五年之財務摘要載於本年報《財務摘要》一節。

FINANCIAL HIGHLIGHTS

The financial highlights of the Group for the last five years are set out in the Section "Financial Highlights" to the annual report.

借款及利息資本化

本集團銀行借款和其他借貸細節載於本年報財務報表附註26和28。

本集團期間內在建工程的利息資本化金額為人民幣544.4萬元。

BORROWINGS AND INTEREST COSTS CAPITALISED

Details of bank loans and other borrowings of the Group are set out in Note 26 and 28 to the financial statements.

Interest capitalized by the Group during the year amounted to Rmb5.444 million in respect of construction-in-progress.

購買、出售及贖回本公司之上市證券

年內本公司或其附屬公司概無購買、出售及贖回任何本公司之上市證券。

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

No purchase, sale or redemption of the Company's listed securities has been made by the Company or any of its subsidiaries during the period.

優先購買權

根據本公司章程或中國法律，並無優先購買權規定本公司須按持股比例向現有股東提呈發售新股之建議。

PRE-EMPTIVE RIGHTS

According to the Article of Association of the Company and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

重大訴訟事項

年內本公司無任何重大訴訟事項。

MAJOR LITIGATION

The Company was not engaged in any major litigation of material importance during the year.

重大合約

本集團年內簽訂的重大合約詳情載於本年報《管理層論述與分析》一節。

MATERIAL CONTRACTS

The material contracts of the Group for the year are detailed in the Section Management Discussion and Analysis of the annual report.

主要供應商和客戶

1. 期內本集團首五大供應商合共佔總採購百分比為12.45.其中最大的供應商為舞陽鋼鐵有限公司, 佔總採購百分比為3.21。

2. 期內本集團首五大客戶合共佔總營業額百分比為17.94.其中最大的客戶是韓城工程, 佔總營業額百分比為4.69。

3. 本公司董事, 監事及其聯繫人以及任何股東(根據董事會所知擁有5%或以上本公司股本者)在上述供應商或客戶中概無任何權益。

H股所得款項之運用

期內本公司募集資金的運用詳情載於《管理層論述與分析》一節。

MAJOR SUPPLIERS AND CUSTOMERS

1. The aggregate amount of purchases during the period attributable to the Group's five largest suppliers represented 12.45% of the Group's total purchases. Among which the largest supplier is Wuyang Iron Co., Ltd., presenting 3.21%.

2. 17.94% of the total turnover of the Group during the period was attributable to the Group's five largest customers. Amongst which the Hancheng Project was the largest customer, accounting for 4.69% of the total turnover.

3. None of the directors, supervisors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) has any interest in above mentioned suppliers or customers.

PROCEEDS FROM THE H SHARES ISSUE

The use of listing proceeds of the Company for the period details in the Section "Management Discussion and Analysis" of the annual report.

ENTRUSTED DEPOSITES AND OVERDUE TIME DEPOSITS

As at 31st December, 2004, the Company had no entrusted deposits in commercial banks or non-bank financial institutions and had no due deposits that had not been withdrawn.

INCOME TAX AND EXPORT VAT REBATE

Pursuant to the regulation of the Notice on Several Preferential Income Tax Policies issued by the PRE Ministry of Finance and the State Tax Bureau on 29th March, 1994, the high technological enterprises in the high technological development zones approved by the PRC State Council enjoy an income tax rate of 15% in main subsidiaries, so the taxable income earned by the Group are subject to a rate of 15%. So the Board of Directors of the Company holds that, according to the relevant regulations of PRC laws, the Group still enjoys an income tax rate of 15% in main subsidiaries.

Pursuant to the stipulations in the document of the PRC Ministry of Finance, the export VAT rebate applicable to the Group' newly signed export products contracts is 13% from 15th October, 2003.

對關聯交易的確認

本公司審核委員會已經審核了載於財務報表附註38中的關聯交易(定義見上市規則), 並且確認:

1. 這些交易是本公司按照其業務一般通常過程達成的;及

2. 這些交易是(I)按照通常商業條款(運用此條款時須參考中國境內由類似的企業達成的類同性質的交易)達成的或(II)(如無可比較的例子)按照對本公司的股東而言, 為公平和合理的條款達成的以及;

3. 這些交易是(I)按照與相關的協議條款達成的或(II)(如無這類協議)按照不比第三方可取得的條件差的條款達成的。

CONFIRMATION ON CONNECTED TRANSACTIONS

The Audit Committee have, in such capacity, reviewed the connected transactions referred to in Note 38 to the financial statements and confirmed that:

1. Such transactions have been entered into by the Company in the ordinary and usual course of its business; and

2. Such transactions have been entered into either (I) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities with PRC) or (II) (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and

3. Such transactions have been entered into either (I) in accordance with the terms of the relevant agreements governing such transactions or (II) (where there is no such agreement) on terms no less favorable than terms available to third parties.

合資格會計師

本公司已經存在一位符合《上市規則》第3.24條規定的會計師, 惟彼未具有香港會計師公會或獲香港會計師公會認可獲豁免其會籍考試要求所認可的類似會計師組織之資深會員或會員資格。為此, 本公司將委聘一位具有該資深會員或會員資格的人士協助本公司會計師履行其監督本公司財務匯報程序及內部監控的職責, 本公司目前尚未找到合適人選。

QUALIFIED ACCOUNTANT

The Company already has an accountant who meets the regulations set out in article 3.24 of the List Rules, but he is neither a fellow or associate member of the Hong Kong Society of Accountants nor of a similar body of accountants recognized by that Society for the purpose of granting exemptions from the examination requirement for membership of that Society. Therefore, the Company will employ a person who meets the above-mentioned qualification to assist the Company's accountant in supervising the Company's financial reporting procedures and internal controls. Until now, the Company has not found such a suitable person yet.

BOARD OF DIRECTORS SPECIAL COMMITTEE

The Company established Board of Director Special Committee in 27th August, 2004, including Strategy Develop Committee, Supervisation Committee, Salary Committee and Nomination Committee. Strategy Develop Committee is consisted of 5 directors. Among which, 3 members are executive directors and 2 members are non-executive directors. Supervisation Committee is consisted of 3 directors. Among which, 2 members are independent non-executive directors and 1 members are non-executive directors. Salary Committee is consisted of 3 directors. Among which, 2 members are independent non-executive directors and 1 members are executive directors. Nomination Committee is consisted of 3 directors. Among which, 2 members are independent non-executive directors and 1 members are executive directors.

首十名股東

於2004年12月31日, 本公司股東名冊上持股量最多的首十名股東的持股情況如下:

TOP TEN SHAREHOLDERS

At 31st December, 2004, the top ten registered shareholders who hold the most shares were as follows:

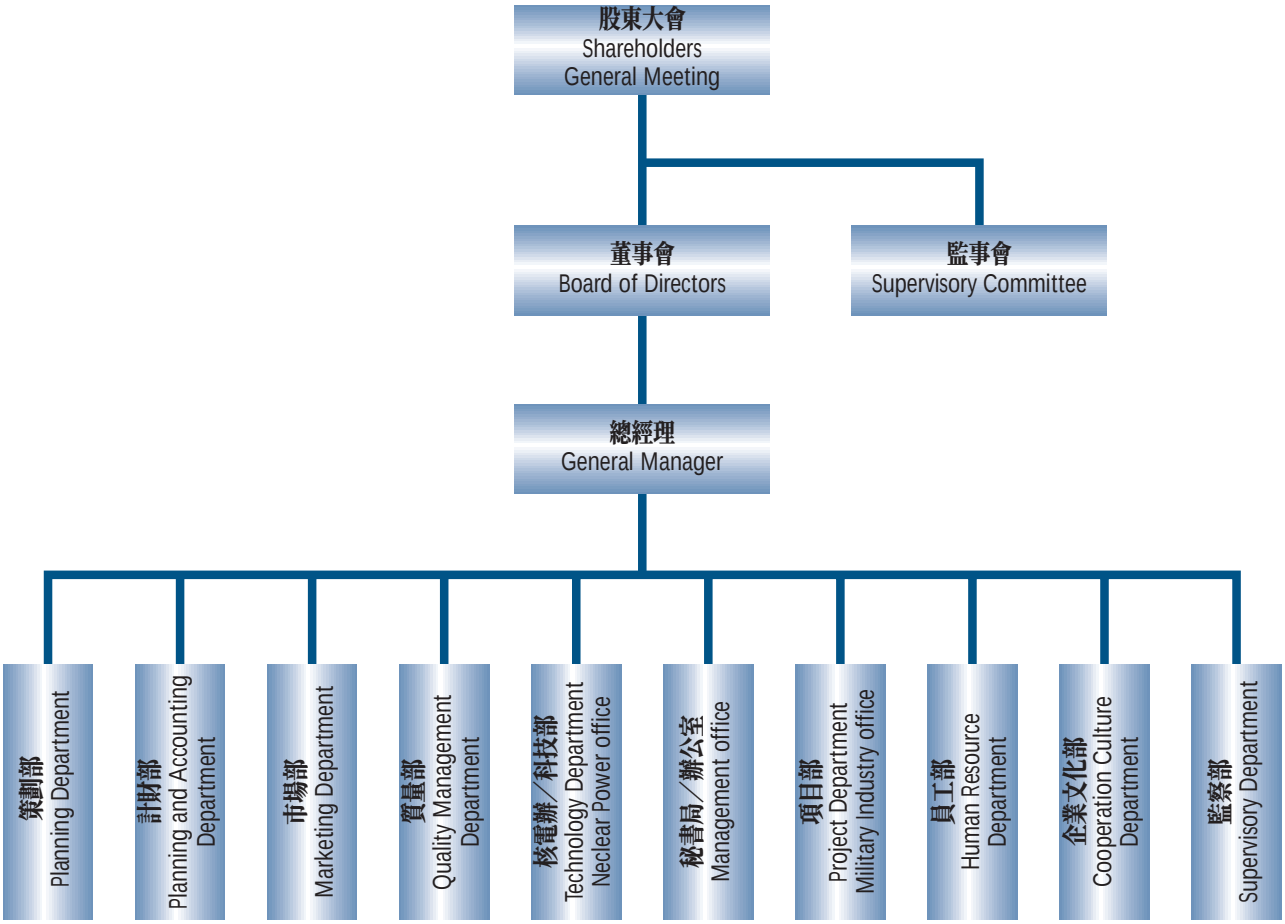
股東名稱 Name of Shareholders	股數 Number of Shares	持股百分比 Percentage of Shares Holding	備註 Remark
哈爾濱電站設備集團			

致各位股東：

截止2004年12月31日止年度（本年度），哈爾濱動力設備股份有限公司監事會（本監事會）全體成員按照《中華人民共和國公司法》、《香港聯合交易所有限公司之證券上市規則》和本公司章程賦予的職

組織機構框架

ORGANIZATION CHART



股東和股東大會

本公司的控股股東為哈爾濱電站設備集團公司, 其為一家在中華人民共和國註冊的國有企業。

本公司保護股東的權益, 股東作為公司的所有者, 享有法律、法規所規定的權利, 並負有相應的義務, 公司平等對待所有股東, 倡導股東積極參與公司治理。股東對公司重大事項享有知情權和決定權。股東大會是公司的權力機構, 依法行使職權。在批准關聯交易時, 有利害關係的股東放棄在股東大會的投票權。

TO ALL SHAREHOLDERS AND GENERAL MEETING

The Harbin Power Plant Equipment Group Corporation the shareholder of controlling shares, which is a stated-owned company registered in The People's Republic of China.

The Company protects shareholder's profit. Shareholders as the owner of the Company enjoy rights regulated in laws and regulations and shoulder commensurately obligations. The Company will treat every shareholder equally and initiate shareholders to join in the Company's management. The shareholders enjoy rights to information and rights to decision-making for the Company's big events. The General Meeting of Shareholders is the power organization of the Company, and it exercise its functions and power according to laws. At the approval of connected transactions, the shareholder with common interests should give up to vote at the General Meeting.

各專門委員會

SPECIAL COMMITTEE

In order to further improve corporate governance structure and operation level, the Company set up several special committees under Board of Directors on 27th August, 2004. The organization and functions of each special committee are as follows:

A. The auditing committee is consisted by 3 members: Ding Xuemei (independent direct), Zhou Daojiong (independent direct), and Duan Hongyi. Ding Xuemei is the chairman for this committee. Main responsibilities: make decision on employing and fire auditors outside the Company; make decision on auditing fees; supervise the Company's inner auditing system and it enforcement; responsible for the communications between outside audit and inside audit; supervise the conformability between the Company and the accountant major standard and security exchange; review the Company's mid stage results and annual results and communicate with the domestic and foreign auditors on the existing problem; supervise the Company's inner control system and review the Company's important connected transactions; review and supervise the existing and potential risk; the other issues authorized or entrusted by the Board of Directors.

B. The Salary Committee will be consisted by 3 members: Li Genshen (independent director), Du Xingyou (independent director), Liang Weiyan. Li Gengsheng is the chairman of this committee. Main responsibilities: research on the Company's salary system and salary policy and give advice and suggestions; draft the Company's directors' and the high level managers' salary; review and evaluate the Company's directors' and the high level managers' results and salary; the other issues authorized or entrusted by the Board of Directors.

各專門委員會(續)

三、 提名委員會由3人構成:都興有(獨立董事)、丁雪梅(獨立董事)、段洪義, 獨立董事都興有擔任主任委員。主要職責:根據公司經營活動情況, 資產規模和股權結構對董事會的規模和構成向董事會提出建議;研究董事, 經理人員的選擇標準和程序, 並向董事會提出建議;廣泛搜尋合格的董事和經理人員的人選;對董事候選人和經理人選進行審查並提出建議;對須提請董事會聘任的其他高級管理人員進行審查並提出建議;董事會授權或委托的其他事項。

四、 戰略發展委員會由5人構成:宮晶坤, 李根深(非執行董事)、梁維燕(非執行董事)、商中福, 吳偉章, 宮晶坤擔任主任委員。主要職責:對公司長期發展戰略規劃進行研究並提出意見和建議;對須經董事會批准重大投資融資方案進行研究並提出意見和建議;對須經董事會批准重大資本運作, 資產經營項目進行研究並提出意見和建議;對公司法人治理結構, 管理體制進行研究並提出意見和建議;董事會授權或委托的其他事項。

SPECIAL COMMITTEE (continued)

C. Nomination Committee is consisted of 3 members: Dou Xingyou (independent director), Ding Xuemei (independent director), Duan Hongyi. Dong Xingyou is the chairman of this committee. Main responsibility: give suggestions to the Board of Director on the scale and structure according the Company's operating condition, asset scale and stock right structures; research the selection standard and procedures for director and managers and give suggestions to the Board of Directors; search for qualified directors and managers aboard.; review and give suggestions on the candidates for directors and managers; review and give suggestions to the other high level manager be proposed to the Board of Directors for employment; the other issues authorized or entrusted by the Board of Directors.

D. The Strategic Development Committee consists of five members: Gong Jing-kun, Li Gen-shen (non-executive director), Liang Wei-yan (non-executive director), Shang Zhong-fu, Wu Wei-zhang. Gong Jing-kun is the Chairman of this committee. The main functions are: studying the Company's long-term development strategies and plans and presenting ideas and suggestions; studying the important investment and financing plans which need the approval of Board of Directors and presenting ideas and suggestions; studying the important capital operation, assets operation projects which need the approval of Board of Directors and presenting ideas and suggestions; studying the Company's legal representative governance structure and administration system and presenting ideas and suggestions; other issues authorized or entrusted by the Board of Directors.

SUPERVISORY COMMITTEE

The supervisory committee holds responsibility to all shareholders and gives efficient supervision that whether duty implementation taken by finance professional, general managers and senior members is complied with laws and regulations and to protect all shareholders' legal interests.

The supervisory committee of the Company is consisted of 5 supervisors.

The supervisory committee had 2 supervisory meetings in 2004 for reviewing the Company's finance report. The supervisors should attend all the meetings hold by Board of Directors.

INFORMATION PUBLISHMENT AND SUPERVISION

In order to improve the Company' transparence, the Company pays attention to communicating with shareholders and investors. The Company will publish information actually, accurately, completely and timely strictly according to laws and regulation, Company's regulations and listing rules. At the middle stage, after the publish of annual achievements report and big investment decision, recommend and introduction meeting of market analysis organization, press conference and one - one discussion with investment organization will be hold at least twice every year. The Company strengthened its supervision on connected transaction, and all connected transaction must be reviewed by independent boards.

The Company will do its duties, continuously complete its management, improve its management level according to laws and

致哈爾濱動力設備股份有限公司股東

（於中華人民共和國註冊成立之股份有限公司）

本核數師按照審成審核載於第頁至
原則編製的財務報表。

則責任

責編製真實與公平的財務報表
表時，董事必須貫徹采用合適的

本行審核工作的結果，對該等財
意見，並按照雙方所協議之應聘
報告本行之結論，而不可用作其
本報告內容對任何其它人士承

計師公會頒布的核數準則進行審
括以抽查方式查核與財務報表
額有關的憑證，亦包括評估董事
表時所作的重大估計和判斷、所
否適合　貴公司及　貴集團的具
應用並足夠地披露該等會計政

審核工作時，均以取得一切本行
解釋為目標，使本行能獲得充份
報表是否存有重要錯誤陳述，作
達意見時，本行亦已衡量該等財
整體上是否足夠，本行相信，本
下列意見建立了合理的基礎。

綜合損益表

Consolidated Income Statement

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

		附註 NOTES	**2004 人民幣千元 Rmb'000**	2003 人民幣千元 Rmb'000
主營業務收入	Turnover	5	**10,215,670**	5,144,246
主營業務成本	Cost of sales		**(9,452,684)**	(4,491,189)
主營業務溢利	Gross profit		**762,986**	653,057
其它業務收入	Other operating income	7	**153,513**	108,389
營業費用	Distribution costs		**(117,178)**	(98,337)
管理費用	Administrative expenses		**(566,802)**	(486,025)
其它業務支出	Other operating expenses		**(19,790)**	(1,749)
營業溢利	Profit from operations	8	**212,729**	175,335
財務支出	Finance costs	9	**(47,889)**	(111,525)
於聯營公司溢利	Share of results of associates		**4,123**	6,526
除稅前溢利	Profit before taxation		**168,963**	70,336
稅項	Income tax expense	11	**(27,034)**	(14,090)
除稅後溢利	Profit after taxation		**141,929**	56,246
少數股東權益	Minority interests		**(24,357)**	(2,775)
本年淨利潤	Net profit for the year		**117,572**	
股息			**9,513**	

資產負債表

Balance Sheet

於二零零四年十二月三十一日 At 31st December, 2 4

2004 2 3

根據中國公司法，除稅後溢利之分配順序如下：

(1) 彌補虧損；

(2) 提取法定盈餘公積金；

(3) 提取法定公益金；

(4) 提取任意盈餘公積金；及

( ) 派發普通股之股息。

根據中國公司法及本公司和附屬公司之公司章程，本公司及各附屬公司均須個別按照中國會計準則編製之財務報表，提取10%及 %至10%除稅後溢利，撥入其個別之法定盈餘公積金及法定公益金賬內。

法定盈餘公積金為股東權益的一部份，當其餘額達到公司註冊資本之 0%時，可不須再提取。根據中國公司法，法定盈餘公積金可用以彌補虧損、擴充本公司之業務或撥充資本。當本公司之法定盈餘公積金轉充為資本時，該賬內未轉充資本之金額不得少於註冊資本2 %。

法定公益金亦為股東權益的一部份，根據中國公司法，其僅可應用於公司職工集體福利的資本性支出，而該等員工福利設施仍為本集團所擁有。法定公益金除非進行清算，否則不能分配。

資本公積金為向哈爾濱電站設備集團公司（「哈電集團公司」）收購其主要經營業務，在本公司成立時其淨資產的公平價值與發行予哈電集團公司的國有法人股股票總面值兩者之間的差額盈餘。

股東權益變動表（續）

Statement of Changes in Equity (continued)

截至二零零四年十二月三十一日止年度 , 31 , , 2004

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

		2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000
經營業務	OPERATING ACTIVITIES		
營業溢利	Profit from operations	**212,729**	175,335
經作下列調整:	Adjustments for:		
呆壞賬準備	Allowance for bad and doubtful debts	**1,360**	6,112
存貨準備	Allowance for inventories	**10,822**	5,680
非上市證券性投資股息收入	Dividend income from unlisted investment securities	**(645)**	(222)
折舊及攤銷	Depreciation and amortisation	**241,042**	208,205
處置非上市證券性投資取得收益	Gain on disposal of unlisted investment securities	**–**	(978)
處置固定資產(取得收益)損失	(Gain) loss on disposal of property, plant and equipment	**(2,533)**	896
證券性投資減值確認	Impairment loss recognised in respect of investments in securities	**2,043**	–
利息收入	Interest income	**(121,293)**	(26,223)
轉回呆壞賬準備	Reversal of allowance for bad and doubtful debts	**(7,414)**	(12,120)
營運資金變動前之經營業務現金流量	Operating cash flows before movements in working capital	**336,111**	356,685
存貨增加	Increase in inventories	**(3,390,410)**	(1,292,915)
應收賬款增加	Increase in trade debtors	**(373,644)**	(152,232)
其它應收款、按金及預付款項增加	Increase in other debtors, deposits and prepayments	**(3,701,449)**	(1,437,585)
建造合同應收款減少(增加)	Decrease (increase) in amounts due from customers for contract work	**374,206**	(511,123)
應收聯屬公司款項減少	Decrease in amounts due from fellow subsidiaries	**4,182**	43,619
建造合同預收款增加(減少)	Increase (decrease) in amounts due to customers for contract work	**536,108**	(151,528)
應付賬款增加	Increase in trade creditors	**911,046**	300,663
其它應付款及應計費用減少	Decrease in other creditors and accrued charges	**(63,011)**	(69,094)
已收按金增加	Increase in deposits received	**12,463,862**	7,500,837
欠最終控股公司款項增加	Increase in amount due to ultimate holding company	**6,163**	5,884
應付增值稅及其它應付稅項增加(減少)	Increase (decrease) in value added tax and other taxes payable		

The Company is established as a joint stock limited company in the People's Republic of China (the "PRC"), and its H shares are listed on The Stock Exchange of Hong Kong

3. 新會計準則之潛在影響

於2004年, 香港會計師公會頒布了一些新訂或經修訂的香港會計實務準則和香港財務報告準則. 這些準則將於由2005年1月1日開始之會計年度生效. 本集團並未提早采納這些新修訂的香港財務報告準則於截至2004年12月31日止年度的財務報告內.

In 2004, the Hong Kong Institute of Certified Public Accountants ("HKICPA") issued a number of new or revised Hong Kong Accounting Standards ("HKAS") and Hong Kong Financial Reporting Standards ("HKFRS") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December, 2004.

本集團管理層正評估這些新修訂的香港財務報告準則將會對本集團財政狀況和業績的潛在影響, 但暫時並未能確定. 這些新修訂的香港財務報告準則將會改變本集團未來在財政狀況和業績方面的列示方式.

Management is assessing, but has not yet determined, the potential impact of these new HKFRSs will have on its financial position and results of operations. These new HKFRSs may result in changes in the future as to how the results and financial position are presented.

4. 主要會計政策

本財務報表是在歷史成本基礎上編製, 並符合如下的香港會計原則.

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below.

綜合基準

綜合財務報表包括本公司及各附屬公司每年截至十二月三十一日止之財務報表.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

於本年度收購或出售之附屬公司業績由其個別實際收購日期起或截至實際出售日期止(視乎情況而定)列入綜合損益表內.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

於附屬公司權益

於附屬公司權益乃按成本減任何已發現之減值損失納入本公司資產負債表內.

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

4. 主要會計政策(續)

於聯營公司權益

綜合損益表中已包括本年度自收購日後本集團於聯營公司的損益。於綜合資產負債表中，於聯營公司權益以本集團所佔淨資產扣減任何已發現之減值損失列示。

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets less any identified impairment loss.

本公司對聯營公司損益的會計處理以本年已收和應收的股利入賬。在本公司的資產負債表上，於聯營公司權益以成本值扣除已發現之減值損失列示。

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss.

收入確認

發展中物業

Development properties

完工前未發生預售之供銷售物業之收入於履行約束性銷售協議或由權威當局頒發相關居住許可證兩者之孰晚情況下確認。

Income from properties developed for sale, where there are no pre-sales prior to completion of development, is recognised on the execution of a binding sales agreement or when the occupation permit is issued by the relevant authority, whichever is the later.

在發展物業完成前的預售收入予權威當局頒發相關居住許可證時確認。

Income from properties pre-sold prior to completion of development is recognised when the occupation permit is issued by the relevant authority.

建造合同

Construction contracts

如果建造合同的結果能夠可靠地估計，合同的收入應根據完工百分比法及已完成合同工作量在資產負債表日予以確認。由於合同變更、索賠、獎勵等原因形成的追加收入應在客戶認可時予以確認。

When the outcome of a construction contract can be estimated reliably, revenue from construction contracts is recognised on the percentage of completion method, measured by reference to the value of work carried out during the period. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

如果建造合同的結果不能夠可靠地估計，合同收入應根據能夠收回的實際發生的合同成本加以確認。

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred where it is probable will be recoverable.

4. 主要會計政策(續)

收入確認(續)

其它

其它銷售收入在付貨予客戶後即予確認。

服務收入在服務提供後即予確認。

利息收入, 包括購買持有至到期的債券時產生的折價或溢價的攤銷額, 乃根據所存放之本金額按存放時間比例以適用利率累計並列入損益表內。

投資之股息收入乃於股東有權收取款項時入賬。

Others

Sales of other goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are rendered.

Interest income, including the amortisation of any discount or premium on the acquisition of held-to-maturity securities, is accrued on a time basis, so as to reflect the effective yield on the underlying asset.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Property, plant and equipment other than construction-in-progress is stated at cost less accumulated depreciation and amortisation and accumulated impairment losses.

Construction-in-progress is stated at cost which includes all development expenditure and other direct costs, including interest expenses, attributable to such projects. Upon completion of construction, the related cost is transferred from construction-in-progress to the appropriate categories of property, plant and equipment, as appropriate.

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

At subsequent reporting dates, debt securities that the Group

4. 主要會計政策(續)

建造合同(續)

如果合同預計總成本將超過合同預計總收入, 應將預計損失立即確認為當期費用。

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

如果一項建造合同包括多項資產, 每項資產均有獨立的建造計劃和單獨的談判, 且其收入和成本可單獨辯認, 則每項資產應分立為單項合同處理。一組同時或依次履行的合同, 如果是按一攬子交易簽訂, 且每項合同實際上已構成一項綜合利潤率工程的組成部分, 則這一組合同應合併為單項合同處理。

When a contract covers a number of assets, the construction of each asset is treated as a separate contract when separate proposals have been submitted for each asset, each asset has been separately negotiated and the costs and revenues of each asset can be separately identified. A group of contracts, performed concurrently or in a continuous sequence, is treated as a single construction contract when they were negotiated as a single package and are so closely inter-related that they constitute a single project with an overall profit margin.

退休金

退休金及撥備乃根據當地政府之有關文件訂立之定額供款合約列入損益賬。

Retirement benefit costs charged to the income statement represent the amount payable under a defined contribution arrangement with the local government.

研究及開發費用

研究及開發費用於產生時列入損益賬。

Expenditure on research and development is recognised as an expense in the period in which it is incurred.

僅當研究及開發費用的發生有一明確的項目, 且通過將來的商業活動能夠收回時, 研究及開發費用才能確認為內部產生的無形資產。因此而形成的資產在其使用期內按直

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

4. 主要會計政策(續)

所得稅

所得稅支出代表當期應付所得稅及遞延所得稅的總額。

Income tax expense represents the sum of the tax currently payable and deferred tax.

當期應付所得稅乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其它年度的應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與收益表所列純利不同。

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

遞延稅項是按資產負債法，根據財務報表中資產和負債的賬面金額與其用於計算應納稅利潤的相應稅基之間的差額所產生的暫時性差異計算；所有應稅暫時性差異產生的遞延所得稅負債一般均予確認，但可抵稅暫時性差異產生的遞延所得稅資產只能在未來可實現應納稅利潤足以用作抵銷可抵稅暫時性差異的限度內，才能予以確認。

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

對附屬公司投資的權益產生的應稅暫時性差異會確認為遞延所得稅負債，除非本集團能夠控制這些暫時性差異的轉回，而且暫時性差異在可預見的將來很可能不會轉回。

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

在每個資產負債表日，本集團會對遞延所得稅資產的賬面金額進行核查。當很可能不再有足夠的應納稅利潤以轉回部份或全部遞延所得稅資產時，遞延所得稅資產會按不能轉回部份予以扣減。

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

遞延所得稅是以預期於相關資產實現或相關負債清償當期所使用的所得稅率計算。遞延所得稅會在損益表中扣除或記入，除非其與直接在權益中記入或扣除的項目有關，在這種情況下，該遞延所得稅也會作為權益專案處理。

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset which they related to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

5. 主營業務收入

主營業務收入指本集團將產品售予外界客戶及為其提供服務之已收及應收金額在扣除增值稅及退貨後之淨額, 分列如下:

Turnover represents the amounts received and receivable for goods sold and services rendered by the Group to outside customers during the year, net of value added tax ("VAT") and sales returns, and is analysed as follows:

		2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000
物業銷售	Sales of properties	[illegible]	83,832
產品銷售	Sales of goods	[illegible]	3,855,843
建造合同收入	Revenue from construction contracts	[illegible]	1,179,968
服務提供	Services rendered	[illegible]	24,603
		[illegible]	5,144,246

6. 業務和地區分部

業務分部

本集團分為以下五個主要分部—火電主機設備, 水電主機設備, 電站工程服務, 電站輔機和配套設備, 交直流電機及其它產品:

The Group operates in five major segments as follows – main thermal power equipment, main hydro power equipment, engineering services for power stations, ancillary equipment for power stations and AC/DC motors and other products.

主要經營活動如下:

Principal activities are as follows:

火電主機設備
—製造火電主機設備

Main thermal power equipment
– manufacture of main thermal power equipment.

水電主機設備
—製造水電主機設備

Main hydro power equipment
– manufacture of main hydro power equipment.

電站工程服務
—提供電站工程建設服務

Engineering services
– providing engineering services for power stations.

電站輔機和配套設備
—製造電站輔機和配套設備

Ancillary equipment
– manufacture of ancillary equipment for power stations.

交直流電機及其它產品
—製造交直流電機及其它產品

AC/DC motors and other products
– manufacture of AC/DC motor and other products.

Segment information about these businesses is presented below.

		火電主機設備	水電主機設備	電站工程服務	電站輔機及配套設備	交直流電機及其它產品	內部抵銷	合併
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
主營業務收入								
外部收入	External sales							
分部間收入	Inter-segment sales							
總收入	Total revenue							

Inter-segment sales are charged at prevailing market rates.

飆廸覹豜盏麭顑驧顴瞜筋穵狍諮霺韈鞢 = 菁蘾薡瞂鞢潁霺姊獯鵋率韺熿覶楛菁螭莰燔菹袪獘麇焂ヅ蘱莛諮飆ヅ袪 - 鞤趪娥楞菸薘テツ椢瀅嚨磚界袎狸磃螪答鉱薐髧飀鵊贉韙爺韗4烁飉霺

資產負債表

		火電主機設備	水電主機設備	電站工程服務	電站輔機及配套設備	交直流電機及其它產品	合併
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
資產							
分部資產	Segment assets						
於聯營公司之權益	Interests in associates						
未分攤總部資產	Unallocated corporate assets						
合併總資產	Consolidated total assets						
負債							
分部負債	Segment liabilities						
未分攤總部負債	Unallocated corporate liabilities						
合併總負債	Consolidated total liabilities						

6. 業務和地區分部(續)

業務分部(續)

資產負債表 BALANCE SHEET
2003

		火電主機設備 Main thermal power equipment 人民幣千元 Rmb'000	水電主機設備 Main hydro power equipment 人民幣千元 Rmb'000	電站工程服務 Engineering services for power stations 人民幣千元 Rmb'000	電站輔機及配套設備 Ancillary equipment for power stations 人民幣千元 Rmb'000	交直流電機及其它產品 AC/DC motors and other products 人民幣千元 Rmb'000	合併 Consolidated 人民幣千元 Rmb'000
資產							
分部資產	Segment assets	6,213,775	1,369,760	1,629,099	1,210,209	2,178,946	12,601,789
於聯營公司之權益	Interests in associates	–	–	–	–	90,423	90,423
未分攤總部資產	Unallocated corporate assets						4,821,529
合併總資產	Consolidated total assets						17,513,741
負債							
分部負債	Segment liabilities	7,183,203	833,058	276,931	1,342,565	1,220,249	10,856,006
未分攤總部負債	Unallocated corporate liabilities						3,136,521
合併總負債	Consolidated total liabilities						13,992,527
其它資料							
資本性支出	Capital additions	127,234	9,342	371	36,740	114,485	288,172
折舊與攤銷	Depreciation and amortisation	118,749	29,695	5,267	24,202	30,292	208,205

6. 業務和地區分部(續)

地區分部

本集團之主營業務收入主要來自於中國境內, 按地區分類如下:

The Group's operations are located mainly in the PRC. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

		銷售收入按地區分類	
			Year ended 31.12.2003
		人民幣千元 Rmb'000	人民幣千元 Rmb'000
境內	PRC		4,033,250
境外	Overseas		1,110,996
總收入	Total revenue		5,144,246

本集團之主要資產和負債主要位於中國境內, 於二零零四年十二月三十一日及二零零三年十二月三十一日, 位於境外的資產和負債少於集團總資產和總負債的10%。

The majority of the Group's assets and liabilities are located in the PRC. The assets and liabilities situated overseas account for less than 10% of the Group's assets and liabilities as at 31st December, 2003 and 2004.

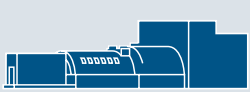
12. 股息

		2003
	人民幣千元 Rmb'000	人民幣千元 Rmb'000
末期已付二零零三年股息每股人民幣0.008元（二零零二年：人民幣0.006元） Final dividend paid for 2003 of Rmb0.008 (2002: Rmb0.006) per share		7,135

董事建議本年每股派發股息人民幣0.051元（二零零三年：人民幣0.008元），上述提議有 The final dividend for 2004 of Rmb0.051 (2003: Rmb0.008) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

The calculation of the earnings per share is based on the profit for the year of Rmb117,572,000 (2003: Rmb53,471,000) and on 1,189,151,000 shares (2003: 1,189,151,000 shares) in issue throughout the year.

14. 固定資產（續）於一九九



附屬公司名稱	註冊股本	本公司持有已發行股本面值之比率		主要業務
	人民幣千元 Rmb'000	直接 %	間接 %	
哈爾濱東力房地產開發有限責任公司 *	10,000	–	51.25	物業發展 Property development
哈爾濱哈鍋閥門股份有限公司 **	80,000	34	63.85	

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

During the year, the Group disposed of its 72.18% interests in 哈爾濱鍋爐容器工程有限責任公司 ("容器公司"). After the disposal, 容器公司

19. 應收賬款

給予客戶之信貸期各不相同，一般乃按個別客戶之財政情況而定。為了有效管理與應收賬款相關之信貸風險，本集團定期進行客戶信用評估。

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

於資產負債表日應收賬款的賬齡分析如下：

An aged analysis of trade debtors at the balance sheet date is as follows:

		本集團	
			2003
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
1年內	Within 1 year	[illegible]	1,343,318
1年至2年	1 to 2 years	[illegible]	405,224
2年至3年	2 to 3 years	[illegible]	95,468
3年以上	Over 3 years	[illegible]	259,263
		[illegible]	2,103,273

20. 建造合同應收(預收)款

		本集團	
			2003
		人民幣千元	人民幣千元
		Rmb'000	Rmb'000
於資產負債表日的建造合同:	Contracts in progress at the balance sheet date:		
迄今成本	Contract costs incurred		3,564,474
應佔溢利扣除可預見虧損	Recognised profits less recognised losses		278,178
			3,842,652
已收及應收工程進度款項	*Less:* Progress billings		(2,526,421)
			1,316,231
其中:	Represented by:		
建造合同應收款	Amounts due from customers included in current assets		1,388,104
建造合同預收款	Amounts due to customers included in current liabilities		(71,873)
			1,316,231

截至二零零三年十二月三十一日和二零零四年十二月三十一日止, 並無未付足的建造合同工程款。

As at 31st December, 2003 and 2004, there were no retentions held by customers for contract works.

21. 應收聯屬公司款項

此款項為無抵押, 不計息, 且無固定還款期限。

The amounts are unsecured, non-interest bearing and are repayable on demand.

22. 應付賬款

應付賬款的賬齡分析如下：

An aged analysis of trade creditors at the balance sheet date is as follows:

		本集團	
		2004	2003
		人民幣千元 Rmb'000	人民幣千元 Rmb'000
1年內	Within 1 year	[illegible]	1,318,262
1年至2年	1 to 2 years	[illegible]	82,193
2年至3年	2 to 3 years	[illegible]	12,539
3年以上	Over 3 years	[illegible]	62,550
		[illegible]	1,475,544

23. 已收按金

已收按金為在建中合約工程及預售發展物業中向顧客已收取之進度款項。已收按金中，有人民幣2,878,848,000 (2003: 2,014,878,000)為於結算日後十二個月才開始動工之合約按金，故歸入非流動負債。而其餘部份則為於結算日後十二個月內開始動工的在建工程按金，故歸入流動負債。

The amount represents the progress payments received from customers in respect of work in progress and properties sold in advance. Included in deposits received of Rmb2,878,848,000 (2003: Rmb2,014,878,000) were the progress payments received in respect of contract works to be commenced twelve months from the balance sheet date and were classified in the balance sheet as non-current. The remaining balance represents deposit received for contract works to be commenced within one year and were classified as current liabilities.

24. 欠最終控股公司款項

此款項為無抵押，不計息，且無固定還款期限。

The amount is unsecured, non-interest bearing and is repayable on demand.

26. 借款(續)

於二零零四年十二月三十一日, 本集團借款中人民幣48,178,000元(二零零三年:人民幣65,000,000元)為有抵押貸款。

At 31st December 2004, Rmb48,178,000 (2003: Rmb65,000,000) of the Group's borrowings are secured.

於二零零四年十二月三十一日, 本集團及本公司借款中人民幣450,000,000元(二零零三年:人民幣465,000,000元)由哈電集團提供擔保。

At 31st December 2004, Rmb450,000,000 (2003: Rmb465,000,000) of the Group's and the Company's bank borrowings are guaranteed by HPEGC.

其它借款為無抵押及不計息。

Other loans are unsecured and non-interest bearing.

27. 股本

		人民幣千元 Rmb'000
普通股每股面值人民幣1元 註冊	Ordinary shares of Rmb1 each Registered	1,189,151
已發行及繳足: 國有法人股 H股	Issued and fully paid: State shares H shares	720,000 469,151
		1,189,151

除了派發股息所用之貨幣及就中國投資者或外國投資者之限制有別外, 國有法人股與H股享有各方面同等權益。

Except for the currency in which dividends are paid and restrictions as to whether the shareholders can be PRC investors or foreign investors, State shares and H shares rank pari passu in all respects with each other.

上年及本年度公司股本並無變化。

28. 欠最終控股公司款項

對於人民幣192,500,000元(二零零三年:192,000,000元)之其它長期借款, 哈電集團公司同意二零零四年內暫不計息。

HPEGC has agreed not to charge any interest on other long term loan of Rmb192,500,000 (2003: Rmb192,000,000) for the year ended 31st December, 2004.

對於二零零一年借入借款人民幣30,000,000元, 一九九九年借入借款人民幣32,000,000元及一九九八年借入借款人民幣23,000,000元分別按年利率5.76%、5.76%和5.49%計息。

The remaining Rmb30,000,000 raised in 2001, Rmb32,000,000 raised in 1999 and Rmb23,000,000 raised in 1998 will be subject to an annual interest charge of 5.76%, 5.76% and 5.49% respectively.

此款項並無固定還款期限。

There is no fixed repayment term.

1.

During the year ended 31st December, 2003, the Group acquired additional interest in 哈爾濱哈電地產置業股份有限公司 at a consideration of Rmb1,890,000 together with the amount of RMB5,361,000 included in investments in securities were transferred to as interests in subsidiaries (note 31) indirect held by the Company.

	2003
人民幣千元	人民幣千元
Rmb'000	*Rmb'000*

已購入資產淨值:

		2003 人民幣千元 Rmb'000
已購入資產淨值:	Net assets acquired:	
固定資產	Property, plant and equipment	1,858
存貨	Inventories	470,382
應收賬款	Trade debtors	17,671
其它應收款、按金及預付款項	Other debtors, deposits and prepayments	56,795
銀行結存及現金	Bank balances and cash	61,792
應付賬款	Trade creditors	(286,936)
其它應付款及應計費用	Other creditors and accrued charges	(66,338)現金

32. 或然負債

		本集團		本公司	
		2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000	2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000
為借取一般銀行融資而向銀行及財務機構作出之擔保	Guarantee given to banks and financial institutions in respect of general banking facilities granted to				
－附屬公司	– subsidiaries	–			1,274,500
－其它	– others		30,900		–
			30,900		1,274,500

33. 資本承擔

		本集團		本公司	
		2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000	2004 人民幣千元 Rmb'000	2003 人民幣千元 Rmb'000
股權投資的資本支出	Capital expenditure for the acquisition of: Investment				
－已簽約但未於財務報表中撥備	– contracted for but not provided in the financial statements		3,575		3,575
購買固定資產的資本支出	Property, plant and equipment				
－已簽約但未於財務報表中撥備	– contracted for but not provided in the financial statements		321,090		88,366
－已批准但未簽約	– authorised but not contracted for		–		–
			324,665		91,941

37. 退休福利計劃

根據一九九六年頒發的規定，本集團應按要求提撥及繳付予哈爾濱市社會保險事業管理局監管的退休養老基金。本集團按現有職工基本工資的22%繳付退休養老基金，職工按其基本工資的8%籌措上述退休養老基金的供款。除每月供款外，本集團亦須負責支付過渡期間的退休金及退休後福利。在過渡期間，退休金乃參照職員的月基本工資及服務期計算，並由哈爾濱市社會保險事業管理局支付。本集團僅須向哈爾濱市社會保險事業管理局支付個人儲蓄賬戶的應付款項，而本集團對超過上述年度供款的退休金或任何退休後福利並無進一步責任。

In accordance with regulations issued by the local government in 1996, the Group is required to make contributions to a defined contribution retirement fund which is administered by the Harbin Social Insurance Administration Bureau. The Group contributes 22% of the basic salary of its existing PRC staff, while employees contribute 8% of their basic salary. Apart from the above contributions, the Group is also obliged to pay pensions and retirement benefits during the transition period. During the transition period, pension payments are calculated by reference to the staff's monthly basic salaries and period of service and are paid by the Harbin Social Insurance Administration Bureau. After the transition period, pension payments will be paid by the Harbin Social Insurance Administration Bureau only by reference to the payable amount of individual saving account and the Group has no further obligation for pension payments or any post-retirement benefits beyond the annual contributions described above.

本公司與哈爾濱電氣集團服務有限公司（「哈電服務」）於一九九四年十一月七日簽訂原有服務協議，而本公司與哈電服務於二零零四年十二月十日簽訂新服務協議，以提供福利及支援服務。新協議實際上為原有服務協議的續約。根據上述協議，截至二零零四年十二月三十一日止年度，已付及已收哈電服務及其附屬公司的服務費分別約為人民幣53,455,000元（二零零三年：人民幣60,960,000元）及人民幣11,874,000元（二零零三年：人民幣8,666,000元）。

The Company entered into a new services agreement on provision of welfare and support services with HPEGC on 10th December, 2004. This agreement is effectively a renewal of the original services agreement signed with HPEGC on 7th November, 1994. Pursuant to the above agreements, the services fees paid to and received from HPEGC and its subsidiaries amounted to approximately Rmb53,455,000 (2003: Rmb60,960,000) and Rmb11,874,000 (2003: Rmb8,666,000) respectively.

截至二零零四年十二月三十一日止年度，本集團向哈電集團及其附屬公司購買的金額約為人民幣44,296,000元（二零零三年：人民幣26,459,000元）。交易價格乃參照類似交易的市價釐定。

For the year ended 31st December, 2004, the Group made purchases from subsidiaries of HPEGC amounting to Rmb44,296,000 (2003: Rmb26,459,000). The transaction prices were determined by reference to the market prices for similar transactions.

於結算日，若干銀行授予本公司的信貸融資乃以哈電集團提供的公司擔保作抵押。

At the balance sheet date, credit facilities granted by certain banks to the Company were secured by corporate guarantee given by HPEGC.

有關應付最終控股公司款項的安排詳情，請參閱附註24及28。

For details of the arrangement concerning amount due to ultimate holding company, see notes 24 and 28.

八、 重大技術引進情況：

2004年5月19日，本公司鍋爐公司與日本東芝簽署了300-1000MW單筒式除氧器技術轉讓協議。

2004年7月本公司同法國阿爾斯通簽訂了濕法煙氣脫硫技術的許可協議。

2004年8月，本公司電機公司引進法國ALSTOM公司300MW抽水蓄能機組製造技術。

2004年9月15日，本公司鍋爐公司與日本三菱簽署了600-1000MW超超臨界鍋爐技術許可協議。

2004年11月26日，本公司鍋爐公司與日本三菱簽署了選擇催化NOx還原系統(SCR)技術轉讓協議。

除以上事項外，本公司期內未有其它應披露而未披露之重要事項。

8. The important technology introduction of the Company:

On 19th May, 2004, the Harbin Boiler Company under the

公司法定名稱
哈爾濱動力設備股份有限公司

公司英文名稱

1. 本公司二零零四年度報告正本。

2. 本公司經審核之財務報表正本。

1. The original copy of the 2004 Annual Report of the Company.

2. The original copy of the Company's audited financial statements.

股東週年大會通知

Notice of Annual General Meeting

茲通告哈爾濱動力設備股份有限公司(「本公司」)謹定於2005年6月13日(星期五)上午九時在中華人民共和國黑龍江省哈爾濱市動力區三大動力路39號B座17樓會議大廳, 舉行2004年度股東周年大會, 以便處理下列事項:

普通事項

1. 審議並批准本公司截至2004年12月31日止年度的董事會報告書;

2. 審議並批准本公司截至2004年12月31日止年度的監事會報告書;

3. 審議並批准本公司截至2004年12月31日止期間的經審核帳目和核數師報告;

4. 授權公司董事會決定公司聘任核數師事項及授權本公司董事會釐定其酬金;

5. 宣布派發本公司2004年年度股息每股人民幣0.0510元。

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Harbin Power Equipment Company Limited (the "Company") for the year of 2004 will be held at Block B, 39 Sandadongli Road, Dongli District, Harbin, Heilongjiang Province, the People's Republic of China on Friday, 13th June, 2005 at 9:00 a.m. for the following purposes:

dı a ı e

1. To receive and consider the report of 6iTw(As Ordinary Business)Tj/F5a6t

Whereas the needs of the Company's business development and the revision of Listing Rules of the Stock Exchange of Hong Kong Limited has been effective on 31st March, 2004, the Board of Directors of the Company advised the Annual General Meeting to make related resolutions on revising the Articles of Association of the Company accordingly, the related revising suggestions were as follows:

1. To add the following contents in clause 11 in the Articles of Association of the Company:

   a. To undertake the harbor facilities operation, passenger transportation services, and to engage in cargo loading and unloading, lighter transportation and storage and warehouse management, harbor service business and the lease of harbor machinery, facilities and equipment and etc.

   b. To conduct itself or act as agent for import and export of various products, except those specialized import and export commodities stipulated by the State and import of special goods that are prohibited by the State. To engage in manufacturing with supplied raw materials and "three processing and one compensation trade" business, develop the mutual-distribution trade and transit trade.

   c. The business of environmental protection engineering.

2. To add a second paragraph in clause 63 in the Articles of Association of the Company: in accordance with the Listing Rules of Stock Exchange of Hong Kong Limited, where any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on